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FEDERAL ELECTION COMMISSION  
APR 10 2000

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

2000 APR 10 P 4:20  
MUR 4937

Freedom Leadership Political Action Committee )  
and James M. Newberry, as treasurer )

**SENSITIVE**

**GENERAL COUNSEL'S REPORT # 2**

**I. ACTIONS RECOMMENDED**

Take no further action against Freedom Leadership Political Action Committee and James M. Newberry, as treasurer, and close the file.

**II. BACKGROUND**

On October 19, 1999, the Federal Election Commission found that there was reason to believe Freedom Leadership Political Action Committee and James M. Newberry, as treasurer ("the Committee" or "the Respondents"), violated 2 U.S.C. § 434 (a)(4)(A)(i), (iii) and (iv) by failing to timely file their 1997 Mid-Year Report and failing to file six (6) disclosure reports during the 1997-1998 election cycle. Specifically, the Committee failed to file their 1997 Year End, 1998 April Quarterly, July Quarterly, October Quarterly, 30 Day Post General and the Year End Reports.<sup>1</sup>

In response to the Commission's findings, Mr. Newberry submitted letters dated November 14, 1999, and January 25, 2000, on behalf of Freedom Leadership Political Action Committee, acknowledging that the Committee had failed to file the reports at issue

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<sup>1</sup> On December 9, 1999, the Committee filed their reports showing no activity during 1998. The coverage dates for the Committee's Year End Report were 10/01/98 to 12/31/98.

### III. ANALYSIS


Therefore, given the financial situation of the respondents and in light of the Commission's priorities and limited resources, this Office recommends that the Commission exercise its prosecutorial discretion by taking no further action against Freedom Leadership Political Action Committee and James M. Newberry, as treasurer, and close the file.

**IV. RECOMMENDATIONS**

1. Take no further action against Freedom Leadership Political Action Committee and James M. Newberry, as treasurer.
2. Close the file.
3. Approve the appropriate letter.

Lawrence M. Noble  
General Counsel

4/7/00  
Date

BY:   
Lois G. Lerner  
Associate General Counsel

**Attachments:**

1. Responses from James M. Newberry, dated November 14, 1999 and January 25, 2000
2. James M. Newberry's personal 1997 and 1998 income tax returns and credit report
3. Supplemental Responses, dated February 15 and 29, 2000

Staff assigned: Dominique Dillenseger  
Lisa A. Davis